

Week 39, 2019

Tea Market Report 23 – 27 September 2019

It was a yet again an effervescent market in Mombasa this week with good absorption across the board. Outlots were low at 9.14% (12,500 pkgs) compared with last 11.67% (15,100 pkgs). The room saw Pakistan packers more assertive. Afghanistan again came on strong, along with a major buyer, particularly on WoR PF1 sorts. Even the medium and lower types received good support due to demand from the UK, Sudan, the Bazar, and the reality that Indian teas have been restricted into Pakistan. The strength proved to be a bit long winded however and steadied towards the close. Slightly improved cropping has been reported in most regions WoR, while EoR remained low. In Malawi, quality sorts were readily absorbed while poor and old invoices were neglected. Crop intakes are seasonally improving due to the current flush. With respect to the 2019/2020 Rainfall forecast global models are currently projecting neutral El Nino Southern Oscillation [ENSO] conditions between September 2019 and January 2020 and is likely to persist through out the 2019/2020 season. Past climate analysis on neutral ENSO years show that the country will receive timely on set of rains and normal cumulative amounts of rain. In Colombo, offers from the Low Grown catalogues stood at 2.8 million kilos, and from the High and Medium Grown categories, 1.75 million kilos. Heavy rains which are detrimental to growth will have an adverse effect to the auction quantities over the next two weeks. This trend is expected to continue, if the current weather patterns remain. If there is a break in the weather and some sunshine prevails, there should be significant flush, which would indeed ensure that healthy crops are harvested at that point in time. In Indonesia there was improved demand for 7,300 pkgs with 22% unsold. Crops continue to decline. Weather in the meantime in Vietnam is good, with cool temperatures, sun, and adequate rain. Farmers are happy to harvest more fresh leaf. While production goes well, the focus is now on the demand and preparation for markets where winter is soon approaching.

"We may have different religions, different languages, different colored skin, but we all belong to one human race." -Kofi Annan

Crop figures (in m.kg)

	August 19	August 18	Jan-August 19	Jan-August 18
Malawi	1.7	1.7	37.7	37.1
Sri Lanka	26.1	21.4	210.8	203.6
	July 19	July 18	Jan-July 19	Jan-July 18
India	176.1	162.5	649.8	614.4
Kenya	31.5	35.3	244.1	266.3

Upcoming auction quantities (pkgs)

	Week 40	Week 41	Week 42
Mombasa	139,731	134,918	139,720
Blantyre	No closing	1,960	N/A
Colombo	6.41 m. kgs	5.92 m. kgs	N/A
Jakarta	9,300	9,060	N/A
Kolkata	187,158	181,148	186,922
Guwahati	203,101	181,212	189,739

KENYA

Auction – Improved general demand. Best BP1's steady to easier, below best 15–25cts easier, good medium steady to 5cts easier, medium 5-10cts dearer, plainer 6-12cts dearer. Best PF1's 4-8cts dearer, below best up to 15cts dearer, good medium firm to 10cts dearer, medium firm to 8cts up, plainer firm to 7cts up. Best PD's steady to easier, below best steady to 8cts easier, good medium firm to 2cts dearer, medium 4-6cts dearer, plainer 5-12cts dearer. Best D1's 2-5cts easier, below best 2-8cts easier, good medium firm to 2cts dearer, medium firm to 3cts up, plainer opened strong but closed between 2-6cts dearer.

Demand – Pakistan packers were more active followed by Afghan and Egyptian packers. UK had improved interest. Yemen was steady while Kazakh, Bazar and Russia were slower. Somalia continued active on their BMFs. Local packers were selective while Iran was away.

Weather – EoR – Bright mornings occasioned majority of the days in the week giving way to relatively cloudy afternoons to evenings. The nights were colder and cloudy. Some few areas in the higher altitudes received light showers. Day-time (maximum) temperatures increased significantly while night-time (minimum) temperatures generally decreased. WoR Nandi/ Kericho/ Kakamega/ Kisii – This region experienced occasional albeit mild showers during this week under review. Sunny and bright mornings prevailed in the larger part of this region giving way to useful precipitation in the afternoon. Ambient temperatures tended a little warmer to previous week.

MALAWI

Auction – Quality sold while poor/old descriptions were neglected. BP1 neglected owing to quality. PF1 Sc none on offer. PF1 Seedling well-made types sold at steady to 2cts easier rates, poor/old descriptions were neglected. PFs good descriptions sold at 23cts off the valuations and poor/old lots were neglected. PD's neglected. D1's sold at 7cts below valuations. Offgrade fngs neglected but steady where sold. Offgrade dust 5cts easier.

Weather – Mulanje and Thyolo both experienced hot weather conditions over the day and cool in the evening. In the last 48hrs it has become windy and cold with scattered rain clouds. Some light showers were received last night.

SRI LANKA

Auction – HG – Less demand. Western BOP best 2-5cts lower, below best 3-5cts lower, plain 2cts lower. Western BOP best 5-10cts dearer, below best 2-4cts dearer, plain 2-4cts lower. N.Eliya BOP 2-5cts lower, BOPF 5-10cts lower. Udupussellewa BOP best 10-20cts dearer, other 2-4cts lower, and BOPF 3-5cts lower. Uva BOP best 20cts dearer, others firm, and BOPF 10cts lower. LG – Fair demand. OP1 select best firm, best firm, below best 10-15cts lower, bottom 5cts dearer. BOP1 all round firm. OP select best firm, best 10-15cts dearer, below best 10-15cts dearer, bottom firm. OPA select best firm, best 10-15cts dearer, below best 10-15cts dearer, bottom firm. PEKOE 1 select best firm, best firm, below best 5-10cts dearer, bottom 5-10cts dearer. PEKOE select best 10cts dearer, best firm, below best firm, bottom 10cts dearer. FBOP/FBOP1 select best 10cts dearer, best 10cts dearer, below best 5cts dearer, bottom 5cts lower. FF1 Best 10-15cts Dearer, Below Best 10-15cts Dearer, bottom 5-10cts lower. FF all round 10cts lower. BOP best 20cts lower, below best 10cts lower, bottom firm. BOPF all-round firm. Tippiess/Specials all-round firm. Off grades - Liq. Fgs better sorts 5-10cts dearer, poorer sorts 5cts lower. Low Grown Fgs overall firm. BM overall firm, BP 40-50cts dearer. BOP1A select best firm, best 10cts dearer, below best firm, bottom 5cts lower. Dust - High Grown/Liq. primary better sorts firm to 10cts lower, others firm. Secondaries firm to 10cts dearer. Low Grown better sorts firm, others firm to 10cts lower.

Demand – Iraq was active while Iran was operating. Russia was also active but not forceful. Syria, Turkey, UK, and Saudi Arabia strong.

Weather – All planting districts have reported heavy rains throughout the week, with many areas almost reaching flood level.

INDONESIA

Auction – General price trends for Java/Sumatra Orthodox were selling at firm to dearer except for Orthodox BOP1/BOP and Sumatra BOPF. Following with Java/Sumatra, CTC were selling at steady to dearer except for BP1/PD.

Weather – Java – All around dry. Rain dances started and there are hopes it will come in October. Sumatra – North, west and south reported dry over the week.

INDIA

Kolkata

Auction – CTC – The market met good demand with 74% sold. Assams were barely steady and irregularly easier, of which browner and fibrous sorts felt most. Dooars followed. Orthodox – The market opened to reduced demand with 88% sold. All round irregularly easier, particularly stalkier types. Whole leaf and browner/flakier brokens and fannings also witnessed withdrawals.

Guwahati

Auction – CTC – All around good demand. Better liquoring Assams sold irregular around last. Remainder sold easier following quality.

Coonoor

Auction – CTC leaf – Market opened to fair demand which reduced during the progress of the sale. Best liquoring teas easier. Good kinds steady to dearer by 2-3cts. Medium types easier 2-3cts. Fair withdrawals were seen in all the categories. Plainer teas dearer by 2-3cts. CTC dust – Initial demand sluggish but improved with the progress of the sale. Best liquoring teas irregular and tending dearer. Good teas dearer by 3-5cts. Medium and plainer kinds dearer by 2-3cts. Orthodox leaf – Less demand. Primary Whole Leaf dearer. Brokens easier and fannings steady. Orthodox dust – Good demand. Primary BOPD's steady. Remainder easier. Good demand for the secondary teas which were dearer.

Cochin

Auction – Orthodox leaf – Fair demand. Select best Nilgiri teas dearer 2-4cts more on quality. Medium sorts irregular with the better teas being firm to dearer. Others lower with some withdrawals. CTC – Fair demand. Irregularly dearer 1-2cts. Dust – Good demand. Good and popular marks firm to dearer up to 3cts at times more following quality. Medium teas also firm to dearer by 2-3cts. Plainer sorts selling irregular around last.

Coimbatore

Auction – CTC leaf – Fair and selective demand. High priced teas fully firm to dearer. Medium bolder grades dearer by 1-2cts. Smaller brokens around last. Plainer teas irregularly lower with quality and facing withdrawals. Orthodox leaf – Reduced demand at lower levels. CTC dust – Fair demand. Good liquoring PD and RD's fully firm to dearer while the finer grades appreciated more with quality. Medium sorts with clean appearance and liquoring properties dearer 2-3cts. Remainder firm. Plainer bolder grades dearer 1-2cts. Finer teas around last.

All price movements quoted in USD per kilo.

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